



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

February 15, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Announcements

Centers of Excellence Program (COE), §5401. Announced February 10, 2012.

Funding is available to create COE programs that will serve as resource and education centers to recruit, train, and retain underrepresented minority (URM) students and faculty at health professional schools. Eligible applicants include previously COE-funded programs at four designated Historically Black Colleges and Universities (HBCU) or accredited and COE-grant authorized allopathic schools of medicine, osteopathic medicine, dentistry, pharmacy, or graduate programs in behavioral or mental health. \$20.5M will be available annually, of which \$12M will be set aside for HBCUs. Funding is available from 2012-2016 and approximately 14 grants will be awarded. Applications are due April 2, 2012.

The announcement can be viewed at: [HRSA](#)

Strong Start for Mothers and Newborns, §3021. Announced February 8, 2012.

This initiative will test three different approaches to providing enhanced prenatal care delivery and to help reduce the increasing number of preterm births. CMS will test new care and payment models that have the potential to improve prenatal outcomes for women enrolled in Medicaid who are at high-risk for adverse pregnancy outcomes. Funding is available to State Medicaid agencies, providers of obstetric care, managed care organizations, and conveners in partnership with other applicants. \$43.2M total is available for this initiative. The number of awards will depend on the number of women that applicants propose to enroll in each of the three models. The Innovation Center intends to fund the cost of care for 30,000 women in each

of the three options over three years.

Applications are due June 13, 2012.

The announcement can be viewed at: [Grants.gov](http://www.grants.gov)

Read the HHS News Release at: <http://www.hhs.gov/news/press/2012pres/02/20120208a.html>

Guidance

2/10/12 HHS announced final regulations regarding §2713 of the ACA that **guarantees women will have free preventive care that includes contraceptive services no matter where she works while protecting religious liberty** and accommodating concerns raised by faith-based employers. ACA §2713 requires that most private health plans cover preventive services for women including recommended contraceptive services without charging a co-pay, co-insurance or a deductible in new private health plans in plan years that start on or after August 1, 2012. On 1/20/12 HHS announced a rule that exempted organizations that are faith-based and primarily employ those of the same faith (such as churches, synagogues and mosques) from the requirement. A transition period was announced that would allow faith-based nonprofits an extra year to begin covering contraceptives. The regulation finalized on 2/10/12 will require insurance companies to cover contraception if the non-exempted religious organization chooses not to. Under the policy: 1) Religious organizations will not have to provide contraceptive coverage or refer their employees to organizations that provide contraception. 2) Religious organizations will not be required to subsidize the cost of contraception. 3) Contraception coverage will be offered to women by their employers' insurance companies directly, with no role for religious employers who oppose contraception. And 4) Insurance companies will be required to provide contraception coverage to these women free of charge.

Read the final rule (published on 2/15/12) for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services Under the Patient Protection and Affordable Care Act at: [Final Day](#)

Read the fact sheet on the final rule at: <http://www.whitehouse.gov/the-press-office/2012/02/10/fact-sheet-women-s-preventive-services-and-religious-institutions>

Read more about the regulations on the White House blog at: <http://www.whitehouse.gov/blog/2012/02/10/president-obama-announces-new-policy-improve-access-contraception>

2/9/12 The Departments of Labor, Health and Human Services, and the Treasury issued sub-regulatory guidance which provides information on questions from employers and other stakeholders regarding §1513, §1511 and §10103(b) of the ACA governing **automatic enrollment, employer shared responsibility, and the 90-day limitation on waiting periods**. Also outlined are various approaches that the Departments are considering proposing in future regulations or other guidance.

Comments and input are due April 9, 2012.

Read the Technical Release No. 2012-01, Frequently Asked Questions from Employers Regarding Automatic Enrollment, Employer Shared Responsibility, and Waiting Periods at: <http://www.dol.gov/ebsa/newsroom/tr12-01.html>

2/14/12 HHS/Treasury/DOL filed a final rule "**Summary of Benefits and Coverage (SBC) and the Uniform Glossary**" which implement the disclosure requirements, as added by §10101(b) of the ACA. The rules require plans to provide concise and comprehensible coverage information to the millions of Americans with private health coverage so that they can more easily directly compare one plan to another. The final rule, effective April 16, 2012, outlines the disclosure of the summary of benefits and coverage and the uniform glossary required by group health plans and health insurance carriers in the group and individual markets. The Summary of Benefits and Coverage (or "SBC") is a concise, easy-to-understand guide that contains a new, standardized plan comparison tool called "coverage examples,"

similar to the Nutrition Facts label required for packaged foods. The labels outline a health plan's deductible, out-of-pocket limits and costs for visits to the emergency room or primary care doctor. The uniform glossary of terms will include definitions of words commonly used in health insurance coverage, such as "deductible" and "co-payment."

Read the final rule at: <http://www.gpo.gov/fdsys/pkg/FR-2012-02-14/pdf/2012-3228.pdf>

2/14/12 HHS/Treasury/DOL filed corresponding documents which provide a template for an SBC; instructions, sample language, and a guide for coverage examples calculations to be used in completing the template; and a uniform glossary that satisfies the disclosure requirements under the requirements of the ACA.

View the template for the Summary of Benefits and Coverage and the glossary at:

<http://cciio.cms.gov/resources/files/Files2/02102012/blank-sbc-template-finalpdf.pdf>

Read the HHS press release on the final rule at:

<http://www.hhs.gov/news/press/2012pres/02/20120209a.html>

Proposed rules were issued in August 2011.

You can read the "Summary of Benefits and Coverage (SBC) and the Uniform Glossary" rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-22/pdf/2011-21193.pdf>

View the proposed template for the Summary of Benefits and Coverage at:

<http://www.healthcare.gov/news/factsheets/labels08172011b.pdf>

2/7/12 IRS issued proposed and temporary regulations regarding the ACA's Consumer Operated and Oriented Plan (CO-OP) Program, which provides loans to private entities to foster the creation of consumer-governed, private, nonprofit health insurance issuers to offer qualified health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability. The IRS regulations clarify requirements for the tax exempt status of organizations participating in the program and require CO-OPs to include a copy of the CMS Notice of Award and Loan Agreement with their tax-exempt status application. The rule also says that the IRS can make tax exemptions retroactive to the date of the formation of the CO-OP or March 23, 2010, whichever is later. The temporary rule has an effective date of February 7, 2012.

Comments on the proposed rule are due April 9, 2012.

Read the regulations at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-02-07/pdf/2012-2338.pdf>

CMS issued its final rule on CO-OP eligibility and other standards for the program on December 13, 2011. CO-OPs are designed to give consumers and small businesses control over their own health insurance. CO-OPs will be directed to use any profit to benefit its members, including taking action to lower premiums, improve health benefits, improve the quality of members' health care, expand enrollment, and otherwise contribute to the stability of coverage for members.

Read the final rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-12-13/pdf/2011-31864.pdf>

In July 2011 CMS announced the availability of \$3.8 billion in funding loans for the CO-OP program. The first round of applications were due 10/17/11 and are due subsequently on a quarterly basis until 12/31/12. CMS expects to fund one CO-OP in each state and the District of Columbia, making 51 awards. Stakeholders are awaiting CMS' announcement on the entities that received the first round of CO-OP loans, which the agency had said it hoped to make in January.

Prior guidance can be viewed at www.healthcare.gov

News

2/13/12 HHS announced that the **National Health Service Corps (NHSC) awarded \$9.1 million to medical students who will serve as primary care doctors in medically underserved communities.** The NHSC's Student to Service is a pilot program created under §5207 the ACA that provides loan repayment of up to \$120,000 to medical students in their last year of education. In return, awardees must serve three years of full-time service or six years of part-time service in rural and urban areas of greatest need. Currently, there are 402 approved sites in Massachusetts for NHSC members to practice.

For more information, visit: <http://www.hhs.gov/news/press/2012pres/02/20120213a.html>

2/13/12 President Barack Obama released his fiscal 2013 budget proposal, a \$3.8 trillion spending plan for 2013 that seeks to achieve \$4 trillion in deficit reduction over the next decade. The President's \$76.4 billion HHS budget proposal supports implementation of the ACA by helping states establish Affordable Insurance Exchanges and develop the necessary infrastructure updates that must be in place by 2014 as required under §1321 of the ACA. Acting CMS Administrator Marilyn Tavenner said that in total, about \$860 million of the \$1 billion funding increase in CMS's budget this year would go toward implementing health insurance exchanges. This includes \$549 million for general IT systems and other support systems such as the federally-facilitated exchange since the ACA did not set aside a specific budget for this, and the exchanges data services hub that HHS is in the process of developing. The funds are also intended "to begin the process of certifying state-based Exchanges," according to budget documents. HHS budget documents show that close to \$1.1 billion is allocated in fiscal year 2013 for state exchange grants, an increase of \$181 million from 2012. More than \$2 billion would be spent on the health reform law's Pre-Existing Condition Insurance Plan program, \$28 million on the Early Retiree Reinsurance Program that has spent nearly all of the \$5 billion it was allocated, and \$80 million on premium rate review grants to states.

The budget also includes language similar to legislation previously introduced in the Senate and endorsed by the President to accelerate "state innovation waivers," which would allow states to implement alternatives to the ACA in 2014, three years earlier than under §1332 of the ACA. The budget also allocates \$3.1 billion to support the creation of 25 new health centers nationwide and funds 2,800 new primary care providers.

The budget proposal recommends \$364 billion in savings from Medicare and Medicaid over ten years that are derived from some structural changes and from reducing payments to certain providers. The White House budget would reduce Medicaid spending by more than \$50 billion, including \$21 billion by reducing provider taxes, and including \$17 billion over 10 years by establishing a new, "blended rate" for Medicaid and CHIP. The single blended matching rate for Medicaid and CHIP spending would replace the current mix of matching formulas starting in 2017.

The budget recommends \$267 billion in decreased Medicare spending. This includes \$35 billion from reduced provider "bad debt" payments, \$9 billion from graduate medical education payment cuts, \$56 billion from payment changes and \$155 billion from requiring drug manufacturers to provide Medicaid rebates for all low-income beneficiaries. Proposed structural changes include co-pays for home health services and increasing Part B and Part D premiums for wealthier individuals.

Read the HHS FY13 Budget Fact Sheet at:

http://www.whitehouse.gov/omb/factsheet_department_health/

Read the HHS FY13 Budget at:

[HHS FY13 Budget](#)

For more details on the HHS accounts visit:

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/hhs.pdf>

Read a fact sheet on the President's FY13 Budget Proposal at:

[Fact Sheet](#)

2/9/12 At a forum at the National Press Club, **Massachusetts Attorney General Martha Coakley and Virginia Attorney General Ken Cuccinelli took opposing sides** when predicting how the U.S. Supreme Court would rule on the ACA in June. The hour-long session offered a preview at what could come next month when the Supreme Court hears five and a half hours of arguments over three days on the Affordable Care Act. AG Cuccinelli challenged the constitutionality of the ACA, arguing that the Supreme Court will rule in favor of the 26 states suing the federal government over the individual mandate. He believes the government cannot require people to purchase something against their will. A federal appeals court threw out his lawsuit, but AG Cuccinelli has appealed. His case is among more than 30 lawsuits that have been filed challenging the health care overhaul. However, AG Coakley provided a counter view of the ACA to AG Cuccinelli's, arguing that Massachusetts' experience supports Congress' constitutional basis for passing it. AG Coakley said that the mandate has worked well in Massachusetts and contended that the government has the right to regulate interstate commerce, including healthcare, under the Constitution's commerce clause.

Read the amicus brief submitted by AG Coakley's Office last month at:

[Brief](#)

Read the press release about the event from AG Coakley's Office at:

[Press Release](#)

2/8/12 The Brookings Institute released a study "Health Information Exchanges and Megachange" which examines state health information exchanges (HIEs) required under §1321 of the ACA. The paper examines the current climate for organizational change and studies the challenges faced by HIEs and how new technology is moving forward to overcome them. It found that while state efforts to create exchanges have shown progress, significant barriers remain. According to the report, states vary widely in how effective they are at creating systems that help healthcare providers and insurers share health information such as insurance claims and medical data. In particular, the report addresses the effectiveness and viability of HIE's in five states that have created state-level health information exchanges- Indiana, Massachusetts, New York, Tennessee, and California and explores why Massachusetts and Indiana are most successful across a number of metrics. The authors conclude by stating that for exchanges to be effective, policymakers must present a clear vision, achieve consensus on key objectives, overcome organizational and market fragmentation, and work effectively with a range of different constituencies.

Read the study at:

[Study](#)

2/7/12 HHS announced an update to the current HealthCare.gov Insurance Finder tool, created under §1103 of the ACA, that **allows users to search specifically for insurance plans that include coverage for domestic partners**. As a part of the plan finder update, domestic partners, including same-sex couples, can filter plans that offer coverage for all members of their family. The update also includes a more comprehensive list of benefits each plan offers and the level of coverage provided. New benefits listed on the website include: home health services, in- and out-patient rehabilitation services, skilled nursing facilities, hospice services, dental care, infertility treatments and weight loss programs. All benefits will be listed as covered, not covered, covered with limitations, or available for an additional premium.

More information is available at: <http://www.hhs.gov/news/press/2012pres/02/20120207b.html>

View the health insurance finder at: <http://finder.healthcare.gov/>

2/7/12- 2/16/12 Nominate a Champion for the White House Champions of Change: Affordable Care Act 2-Year Anniversary! The U.S. Department of Health and Human

Services is partnering with the [White House Office of Public Engagement](#) to highlight individuals doing great work to educate their community about the benefits of the Affordable Care Act, helping people take advantage of the benefits of the new health care law and those who've been championing access to healthcare for everyone in their community throughout their careers. They need your help in finding these Champions! Tell them about an individual or organization who is educating their community about the new health care law and helping people take advantage of the benefits from the law. Use the form below to nominate a champion to come to the White House to be honored for his/her work.

Learn more and submit nominations by midnight on **February 16th** by utilizing the form found at:

<http://www.whitehouse.gov/webform/white-house-champions-change-affordable-care-act>

or

Visit the **Massachusetts National Health Care Reform website** at:

<http://mass.gov/national health reform> to read more.

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals
Open Meeting External Event sponsored by the Massachusetts Medicaid Policy Institute: "Risk Adjustment for Integrated Care: Breaking New Ground for Dual Eligibles in Massachusetts"

Wednesday, February 29, 2012

9:00 - 9:30 AM Registration and Refreshments

9:30 - 12:00 Noon Program

Omni Parker House, Kennedy Room

60 School Street

Boston, MA

Space for this event is limited. Please register at:

[Register](#)

This forum is in follow-up to a report issued by Massachusetts Medicaid Policy Institute (MMPI), a program of the Blue Cross Blue Shield of Massachusetts Foundation. The report examines the critical need for risk adjustment in programs serving persons dually eligible for Medicare and Medicaid, and describing federal and state experience implementing risk adjustment models. The report is available at: [Risk Adjustment for Dual Eligibles: Breaking New Ground in Massachusetts.](#)

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Monday, March 12, 2012 from 2PM- 3PM

1 Ashburton Place, 21st Floor

Boston, MA

Bookmark the **Massachusetts National Health Care Reform website** at: <http://mass.gov/national health reform> to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.